



# Iowa Department of Human Services

Kim Reynolds  
Governor

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Lt. Governor

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Director

## INFORMATIONAL LETTER NO.1880-MC-FFS

**DATE:** January 29, 2018

**TO:** Iowa Medicaid Providers Billing on CMS 1500 Claim Forms (Excluding Ambulatory Surgical Centers, Federally Qualified Health Centers, Indian Health Service Providers, and Rural Health Clinics)

**APPLIES TO:** Managed Care (MC), Fee-for-Service (FFS)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Site of Service (SoS) Differential Update

**EFFECTIVE:** February 1, 2018

Informational Letter [1800-MC-FFS](#)<sup>1</sup> issued on June 1, 2017, announced the requirement that DHS adjust the Iowa Medicaid reimbursement rates for physician services, by applying a SoS differential to reflect the difference between the cost of services when provided in a health care facility setting and the cost of services when provided in an office setting effective July 1, 2017.

In accordance with the approved State Plan Amendment (SPA) language, the SoS differentials are required to be updated annually. Therefore, the SoS differentials are being updated to reflect the Calendar Year (CY) 2018 Medicare differential percentages for applicable Current Procedural Terminology (CPT)/Healthcare Common Procedure Coding System (HCPCS) codes. The updated Medicaid payment differentials will be reflected on the DHS [Fee Schedules](#)<sup>2</sup> web page with pricing factor code "X" around of middle of February.

The IME appreciates your continued partnership as we work to improve the claim processing service quality and accuracy. If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<sup>1</sup> [https://dhs.iowa.gov/sites/default/files/1800-MC-FFS\\_SiteofServiceDifferential.pdf](https://dhs.iowa.gov/sites/default/files/1800-MC-FFS_SiteofServiceDifferential.pdf)

<sup>2</sup> <http://dhs.iowa.gov/ime/providers/csrp/fee-schedule>